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C O N F I D E N T I A L PANAMA 000868

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STATE FOR WHA/CEN AND INL/LP

E.O. 12958: DECL: 05/25/2017
TAGS: SNAR CVIS PREL PM
SUBJECT: LIKELY ARREST OF FORMER NATIONAL MARITIME SERVICE
DIRECTOR

Classified By: Ambassador William A. Eaton, Reasons: 1.5 B & D.

¶1. (C) Panama's Technical Judicial Police (PTJ) is currently attempting to arrest former National Maritime Service (SMN, Panama's Navy equivalent) director Ricardo Traad Porras, along with four former subordinates and an attorney, on charges of narcotics-related corruption and illicit enrichment. The semi-autonomous Attorney General's (AG) Office was able to attain a judge's approval for issuance of the arrest warrants, in spite of our concerns over the potential for Traad to escape prosecution owing to his high level political and social ties, up to President Torrijos himself. Post law enforcement entities, principally DEA, have worked discretely with the AG and with the GOP intelligence service (Consejo) to assist in evidence collection. The main allegation against Traad is the illegal sale, for personal gain, of a large quantity of scrap metal on board a vessel originally seized by the U.S. Coast Guard for narcotics trafficking.

¶2. (C) Post does not estimate that Traad is a flight risk to the U.S. Inter alia, Panama does not allow extradition of its nationals to the U.S., and flight to the U.S. would put Traad et al within reach of our law enforcement. However, offices and agencies at Post are working closely to ensure that a formal visa revocation request cable is emitted as soon as prudent.

¶3. (C) It remains to be seen if Traad will see jail time, given his political connections and Panama's notoriously corrupt judicial branch, including the Supreme Court, which would ultimately decide his fate. For now, we are pleased that the Executive has not attempted to block the arrest of Traad. Meanwhile, the new director of the SMN has made great strides during his two month tenure at increasing the integrity and morale of the SMN, an institution playing a key role in narcotics interdiction and protection of the Canal.

EATON